While Mr. Channing has not attempted an "exhaustive exploitation of bibliography," he has given at the close of each chapter an analysis and criticism of the leading sources and important secondary works. This feature of the work, like the history itself, is the work of a master. Nothing more valuable exists for the use of the advanced student of American history. The only adequate estimate of this work is to state frankly that it stands in the forefront of scholarly efforts to tell the history of this country.

C. H. VAN TYNE.

University of Michigan.

Chapman, Sydney J. *The Lancashire Cotton Industry: A Study in Economic Development.* Pp. viii, 309. Price, 7s. 6d. London: Sherratt & Hughes, 1904.

"This essay," says the author in the preface, "is intended chiefly as a description and an explanation of the typical forms that have appeared from time to time in the production of commodities, the marketing of commodities and the distribution of income, in the Lancashire cotton industry." It also is what its title claims for it—A Study in Economic Development. Although it is not intended to be a history of the cotton industry, its method is distinctly historical. It shows how a simple household industry grew into a great, complicated, modern industry. It shows how successive inventions in machinery caused new forms of organization in production and marketing of commodities and consequently modern forms of trade associations of employers and of employees.

Fully the last third of the book is taken up by a study of "Trades Unions," "Employers Associations" and "Methods of Paying Wages." No simple answer to the problems presented is attempted; but they are considered in the light of a full discussion of the "Modern Organization of the Industry and the Development of the System of Marketing." "The so-called labor problem," says the author, "is complex, like the conditions of industrial life which give rise to it, and its variations are at least as numerous as the types of organized industry. Its solution is complex, varied and progressive."

The twenty-five page bibliography appended to the book shows the comprehensive character of this study. Throughout the work nearly every page contains numerous references in the form of foot-notes.

W. D. RENNINGER.

Philadelphia.

Cleveland, Frederick A. *The Bank and the Treasury.* Pp. xiv, 326. Price, $1.80. New York: Longmans, Green & Co., 1905.

The intention of this book, as the author states prefatorily, is not to serve as a general treatise on money and banking, but "to contribute something to a single subject of national interest—the problem of providing a more sound and elastic system of current credit funds." There is no disputing the fact

that it is a contribution, and indeed a very worthy one, even if it does not contain the final word upon the subject.

The fundamental propositions are thus summed up: "Our financial superstructure rests on two distinct and widely separated pillars—the independent treasury and the commercial bank. The one is an institution of public money issue, the other an institution of private credit; the one supports a large issue of credit money upon a 'gold reserve' for its foundation, the other a still larger issue of bank credit upon a lawful money reserve."

The two great desiderata are soundness and elasticity. The first of these is maintained chiefly by the United States sub-treasury system we have so laboriously constructed. The abolition of this sub-treasury system the author views with unnecessary alarm. At least, one may be pardoned for thinking so, if we may have as a substitute a national bank with commercial functions, as have England, France and Germany. Upon this point it would seem that the author might profitably have added a chapter, in spite of the fact that it would be going further back than the main purpose of the book calls for.

Taking things as they are Dr. Cleveland suggests some methods of increasing the soundness and elasticity of the currency. The latter of these is undoubtedly further from realization than the former and in two successive chapters we have presented, first, the possible methods of securing greater elasticity without a change in the present law. As this involves co-operation by the thousands of banks of the national system, such an event is hardly to be looked for. Hence we must look to the second, or the "possibilities of increasing elasticity by simple modifications of the present law."

Six suggestions are offered: First, "an amendment to the 'money reserve' section of the bank act," which would "require increased capitalization" and at the same time repeal the clauses pertaining to "reserve deposits;"

Second, "an amendment requiring a minimum proportion of redemption equipment to maximum of credit obligations outstanding;"

Third, "an amendment of the bank act to enjoin the payment of interest on 'issues' to banks;"

Fourth, "an amendment to encourage investment of surplus capital in 'gilt-edge' securities;"

Fifth, "an amendment to require payment of interest on government 'deposit' loans to banks;"

Sixth, "an amendment restating the capital support necessary to credit accounts."

One can but wish that the author, keen analyst that he is, had considered the possibility of supplementing our banking system with something similar to the Raifeisen banks as a means of securing further elasticity. As to the ground covered, however, those who are interested in such problems cannot do better than to consult this volume; indeed, they cannot afford not to do it.

J. E. Conner.

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